

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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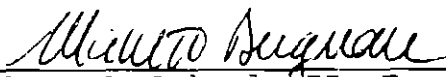
POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

THE DIRECT MARKETING ASSOCIATION, INC.'S FIRST SET OF  
INTERROGATORIES AND REQUESTS FOR PRODUCTION OF DOCUMENTS  
DIRECTED TO USPS WITNESS CRUM  
(DMA/USPS-T28-1-9)

Pursuant to Sections 25 and 26 of the Commission's Rules of Practice, the Direct Marketing Association, Inc. hereby submits the attached interrogatories and requests for production of documents to USPS witness Crum (DMA/USPS-T28-1-9). If the designated witness is unable to respond to any interrogatory, we request a response by some other qualified witness.

Respectfully submitted,

  
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August 12, 1997

**WITNESS CRUM (USPS T-28)**

DMA/USPS-T28-1. Please refer to Table 1 on page 6 of LR-H-108.

- (a) Please provide similar data for FY 1993, FY 1994, and FY 1995 showing PERMIT estimates of revenue, pieces, and weights for letters, flats, and IPPs and parcels for Standard A Bulk Regular Rate mail.
- (b) Please provide estimates of revenue, pieces, and weights, controlled to GFY RPW totals for letters, flats, and IPPs and Parcels for FY 1993, FY 1994 and FY 1995.
- (c) Using the data provided in this Table, please confirm that the average weight of flats is .2 pounds. If you cannot confirm, please provide the correct average weight for flats.
- (d) Using the data provided in this table, please confirm that the average weight of parcels is .5 pounds. If you cannot confirm, please provide the correct average weight for parcels.

DMA/USPS-T28-2. Please refer to page 9 of your direct testimony concerning cost differences for IPPs and Parcels in MC97-2 (USPS-T-7) in which you stated that "[b]ecause the volume of Carrier Route parcels is much lower than flats, I feared that the results might vary from year to year. To check for such variations, I looked at three years of data."

- (a) Did you have similar fears while preparing your testimony in this case?
- (b) If your answer to sub-part (a) is "yes," did you check for variations by analyzing additional years of data? If yes, please provide your findings.
- (c) If your answer to sub-part (a) is "no," please explain what had transpired between the filings of your direct testimonies in MC97-2 and R97-1 to allay such fears.

DMA/USPS-T28-3. Please refer to page 9 of your direct testimony in MC97-2 (USPS-T-7), in which you stated that weight may have an impact on cost differences within Standard Mail (A) nonletters and that you analyzed cost differences within the Carrier Route category because you were able to "isolate the cost driving effect of shape as opposed to weight" within that category. Conversely, in your direct testimony in R97-1 (USPS-T-28) (page 11, lines 16-17), you "combine[d] Regular and Enhanced Carrier Route as well as

Regular Rate and Nonprofit costs and volumes for purposes of [your] analysis."

- (a) Did you similarly control for the effect of weight for all Standard Mail (A) subclasses in your testimony in R97-1?
- (b) If your answer to sub-part (a) is "no," please explain why you did not control for weight and how this absence of control affects your analysis of shape-based cost differences between flats and parcels in R97-1.
- (c) If your answer to sub-part (a) is "yes," please explain how you controlled for the effect of weight.

DMA/USPS-T28-4. Please refer page 11, lines 5-8, of your direct testimony (USPS-T-28) and page 2 of LR-H-108 in which you state that Standard Mail (A) volumes by shape are "derived from the Permit/Bravis system" which "recorded mailing statement information from each bulk mail transaction."

- (a) Describe in detail how USPS expected mailers to distinguish between "flats," "IPPs," and "parcels," including without limitation the definitions of these categories that USPS expected mailers to employ, in filling out the mailing statements underlying LR-H-108.
- (b) Please describe whether USPS checked the accuracy and reliability of shape designations on the mailing statement information underlying LR-H-108.
- (c) Please describe whether any penalties or other consequences were imposed on mailers who incorrectly classified IPPs as flats or flats as IPPs on the mailing statements underlying LR-H-108.
- (d) Please describe all steps USPS has taken to determine that its information concerning the categorization of Standard (A) nonletter mail as flats or non-flats is accurate and reliable.

DMA/USPS-T28-5. Please confirm that there was no surcharge based on shape applicable to Standard (A) IPPs or parcels during FY 1996. If you are unable to confirm, please describe in detail the nature of any such surcharge.

DMA/USPS-T28-6. Please describe in a detailed narrative the nature of the activity underlying "mail processing costs" (C/S 3.1a) separately for:

- (a) Carrier Route flats;
- (b) Carrier Route IPPs and parcels;
- (c) Bulk Rate Regular flats; and
- (d) Bulk Rate Regular IPPs and parcels.

DMA/USPS-T28-7. Please describe in a detailed narrative the nature of the activities underlying the carrier "in-office" labor and support costs (C/S 6.1 and 6.2) separately for:

- (a) Carrier Route flats;
- (b) Carrier Route IPPs and parcels;
- (c) Bulk Rate Regular flats; and
- (d) Bulk Rate Regular IPPs and parcels.

DMA/USPS-T28-8. Please describe in a detailed narrative the nature of the activities underlying the carrier "street" route, access, elemental load, other load and street support costs (C/S 7.1, 7.2, 7.3, 7.4, 7.5) separately for:

- (a) Carrier Route flats;
- (b) Carrier Route IPPs and parcels;
- (c) Bulk Rate Regular flats; and
- (d) Bulk Rate Regular IPPs and parcels.

DMA/USPS-T28-9. Please refer to Table 3 on pages 8 and 9 of LR-H-108. Please provide similar tables for each of the subclasses of Standard Mail (A) for FY 1996.

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Commission's Rules of Practice.

  
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Michael D. Bergman

Dated: August 12, 1997